

**19<sup>th</sup> District Court of Michigan  
City of Dearborn**

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**Financial Report  
with Supplemental Information  
June 30, 2008**

# **19<sup>th</sup> District Court of Michigan City of Dearborn**

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## Independent Auditor's Report

To the Judges of the 19<sup>th</sup> District Court,  
Honorable Mayor, and Members  
of the City Council  
19<sup>th</sup> District Court of Michigan  
Dearborn, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dearborn, Michigan as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 17, 2008, which expressed unqualified opinions on the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. Those basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dearborn's basic financial statements. The accompanying financial statements of the 19<sup>th</sup> District Court of Michigan (a component unit of the City of Dearborn, Michigan) are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The information presented has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Plante & Moran, PLLC*

November 17, 2008

# **19<sup>th</sup> District Court of Michigan City of Dearborn**

## **Management's Discussion and Analysis**

Our discussion and analysis of the District Court Funds of District No. 19, City of Dearborn's (the "District Court") financial performance provides an overview of the District Court's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the District Court's financial statements.

### **Using this Financial Report**

This financial report represents the activities of the funds of the District Court during the year. The funds of the District Court are Agency Funds. Therefore, the activities are limited to collection of amounts that are subsequently returned or paid to third parties. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. A detailed schedule of cash receipts and disbursements is shown in the supplemental information portion of the financial report.

### **The District Court as a Whole**

The following table shows, in a condensed format, the assets and liabilities as of the current date and compared to the prior year:

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash	\$ 75,000	\$ 75,000
Deposits with City of Dearborn	<u>189,526</u>	<u>259,381</u>
Total assets	<u><b>\$ 264,526</b></u>	<u><b>\$ 334,381</b></u>
<b>Liabilities</b>		
Due to District Control Unit	\$ 61,019	\$ 56,185
Bonds and other deposits	<u>203,507</u>	<u>278,196</u>
Total liabilities	<u><b>\$ 264,526</b></u>	<u><b>\$ 334,381</b></u>

### **Contacting the District Court's Management**

This financial report is intended to provide our citizens and customers with a general overview of the District Court's activities and to show the District Court's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the District Court directly.

# 19<sup>th</sup> District Court of Michigan

## City of Dearborn

### Statement of Net Assets Fiduciary Funds June 30, 2008

	Depository Account	Trust Account	Total
<b>Assets</b>			
Cash	\$ 50,000	\$ 25,000	\$ 75,000
Deposits with City of Dearborn	<u>11,019</u>	<u>178,507</u>	<u>189,526</u>
Total assets	<u><b>\$ 61,019</b></u>	<u><b>\$ 203,507</b></u>	<u><b>\$ 264,526</b></u>
<b>Liabilities</b>			
Due to District Control Unit	\$ 61,019	\$ -	\$ 61,019
Bonds and other deposits	<u>-</u>	<u>203,507</u>	<u>203,507</u>
Total liabilities	<u><b>\$ 61,019</b></u>	<u><b>\$ 203,507</b></u>	<u><b>\$ 264,526</b></u>

# **19<sup>th</sup> District Court of Michigan City of Dearborn**

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## **Notes to Financial Statement June 30, 2008**

### **Note 1 - Significant Accounting Policies**

The funds of the 19<sup>th</sup> District Court of Michigan (the “District Court”) are Agency Funds. The financial activities of the funds are limited to collection of amounts that are subsequently returned or paid to third parties. The operations of the funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The District Court has been consolidated as a component unit in the financial statements of the City of Dearborn (the “City”).

### **Note 2 - Cash**

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan.

Certain deposits of the District Court are held at the City of Dearborn in the City’s pooled account. That pooled account invests in many different items. The District Court is unable to specifically identify the components of the pooled account that relate to the District Court’s deposits. See the City of Dearborn’s financial statements for more complete information.

The District Court’s cash and investments are subject to certain risks. The most substantial risk is examined in more detail below:

**Custodial Credit Risk of Bank Deposits** - Custodial credit risk is the risk that in the event of a bank failure, the District Court’s deposits may not be returned to it. The District Court does not have a deposit policy for custodial credit risk. At year end, the District Court had \$64,750 of bank deposits (certificates of deposit, checking, and savings accounts). The entire amount was covered by federal depository insurance.

## **Supplemental Information**

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# 19<sup>th</sup> District Court of Michigan

## City of Dearborn

### Schedule of Cash Receipts and Disbursements Year Ended June 30, 2008

	Depository Account	Trust Account
<b>Cash Balance - July 1, 2007</b>	\$ 50,000	\$ 25,000
<b>Receipts</b>		
Fines and fees collected	5,339,069	-
Bonds and other deposits	<u>178,875</u>	<u>1,284,559</u>
Total receipts	5,517,944	1,284,559
<b>Disbursements</b>		
Transfers to:		
District Control Unit General Fund	4,004,370	-
State of Michigan	1,086,622	-
Wayne County	78,980	-
Secretary of State	116,544	-
Bonds, other deposit refunds, and witness fees	<u>231,428</u>	<u>1,284,559</u>
Total disbursements	<u>5,517,944</u>	<u>1,284,559</u>
<b>Cash Balance - June 30, 2008</b>	<u><u>\$ 50,000</u></u>	<u><u>\$ 25,000</u></u>